

## **Testimony on SB 177**

**Before the Senate Committee on Campaign Finance Reform, Rural  
Issues and Information Technology**

**Submitted by the Department of Agriculture, Trade and Consumer  
Protection**

**Will Hughes**

**May 30, 2007**

I am Will Hughes, Administrator of the Division of Agricultural Development. I am testifying for informational purposes.

The Department currently oversees the 8 marketing orders that were developed under Chapter 96. The Department strongly supports the use of marketing orders as self help tools for producers to promote and develop their commodity sectors. In short, we believe that strong marketing orders help make a strong agriculture.

The Department's main responsibility is to help the marketing boards comply with Chapter 96. This involves oversight of budgets, elections, assessment collections, and administrative changes to marketing orders. Because of our oversight duties, it is important that the Department be neutral on specific marketing order changes.

The legal framework of Chapter 96 provides checks and balances to ensure accountability and transparency to producers and to the general public once a marketing order is established. The Wisconsin Corn Promotion Board was established as the first marketing order under Chapter 96 in 1983. It has maintained good compliance and relations with the Department in administering the corn marketing order (ATCP 143). The Corn Board has a limited budget compared to other commodities of its size and as compared to surrounding states. With the advancement of biofuels in Wisconsin, never has the need for research, education and promotion been more important for the corn industry.

SB 177 maintains the current marketing order while it adds to the existing assessment rate. Therefore, SB 177 also retains the ability of producers to obtain refunds of any assessments paid and allows for them to petition for changes in the marketing order in the future if they choose to do so. These facts leave the program in control of producers which is the way the system is designed to work.

I would be pleased to answer any questions you might have about the workings of Chapter 96 or the Department's oversight of the corn marketing order.

Thank you.



Senator Pat Kreitlow  
Capitol Building 10 South  
Madison Wisconsin 53707-7882

Dear Senator Kreitlow:

This letter is in support of the proposed legislative bill that will increase the "Corn-Check-Off" to one-half a cent per bushel. The Wisconsin Bio Industries Alliance requests that this be placed in the record at the upcoming hearing on the bill.

We support the bill for the following:

- The bill is voluntary so farmers who wish to opt out may do so
- The bill has no state fiscal note and this seems refreshing to do something farmers want and at no cost to the state
- The increased funds for the Wisconsin Corn Promotion Board will be spent to fund research to increase technology e.g. corn that will be more environmentally compatible, improved enzymes to increase efficiencies in producing biofuels and promote other scientific methods to reduce the cost of producing biofuels. It is of interest to note that some states use general purpose revenue to do the very thing that corn growers are willing to fund
- Promote public awareness about the positive uses of biofuels

Again, we urge that you support enactment of the Corn Check-Off Bill and urge other legislators to also vote to enact this legislation.

Bob Sather

Board Chair, Ace Ethanol  
Stanley, Wisconsin 54768





# A1 Ott

State Representative • 3rd Assembly District

May 30, 2007

**Members of the Senate Committee on Campaign Finance Reform, Rural Issues & Information Technology:**

I would like to take this opportunity to request your positive consideration of Senate Bill 177 (SB 177), which would increase Wisconsin's voluntary corn check off.

SB 177 – introduced by Senator Kreitlow and myself at the request of the Wisconsin Corn Growers Association – increases Wisconsin's voluntary corn check off by 0.4 cent, from 0.1 cent to 0.5 cent per bushel.

Under current law, the Wisconsin Corn Promotions Board administers the state's marketing order for corn. The Board aims to maintain and expand sales of corn with the ultimate goal of increasing the value of Wisconsin corn.

The current marketing order provides for an assessment of 0.1 cent per bushel of corn, which is the lowest of the 21 states with corn promotion check offs. The assessment applies only to corn sold for commercial use. Producers who do not sell their corn, but instead feed it to livestock, are exempt from the check off. Further, the check off is voluntary, as any grower can obtain a full refund of their assessment. Refund requests have totaled only about one-tenth of one percent of assessment revenue in recent years.

According to the Wisconsin Corn Growers Association, the current assessment does not provide sufficient resources for the Board to meet the advocacy, promotional and research needs of the corn industry. At 0.1 cent per bushel, the check off generates about \$180,000 per year, which is about \$50,000 more than when collections began 24 years ago.

As stated, SB 177 will increase the voluntary corn check off from 0.1 cent to 0.5 cent per bushel. The proceeds are to be used by the Board for the purposes of the current marketing order, which include: research; development of new markets; improving production methods; marketing and promotion; and educational efforts relating to the quality and nutritional value of corn and corn products.

The bill maintains a producer's right to receive a refund of their assessment, and does not change assessment applicability.

Finally, SB 177 allows the increased assessment to sunset on June 30, 2012 if corn producers approve a referendum to end the assessment. To initiate the referendum, 10% of the producers subject to the assessment must petition the Department of Agriculture, Trade and Consumer Protection between July 1 and December 31, 2011. If approved, the check off would revert back to 0.1 cent per bushel.

This proposal received unanimous support from the membership of the Wisconsin Corn Growers Association at the organization's February annual meeting.

Thank you for your careful consideration of SB 177. Please feel free to contact me if you have any questions or would like to discuss this matter further.

Sincerely,

A handwritten signature in dark ink, appearing to read "Al Ott", with a long horizontal stroke extending to the right.

Al Ott  
State Representative  
3<sup>rd</sup> Assembly District

## **How Does Wisconsin's Check Off Compare to Neighboring States?**

**Wisconsin**  
0.1 cent/bushel

**Michigan**  
1.0 cent/bushel

**Minnesota**  
0.5 cent/bushel

**Iowa**  
0.5 cent/bushel

**Illinois**  
Three-eighths of a cent/bushel

Wisconsin is currently the 9<sup>th</sup> largest corn growing state in the country.

21 other states have corn check offs.

In 1982, when the Wisconsin Legislature adopted legislation authorizing a corn check off, only 2 other states had a check off program.

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## **WISCONSIN CORN GROWERS ASSOCIATION**

**W1360 Hwy 106, Palmyra WI 53156**

**Phone: (262) 495-2232 Fax: (262) 495-3178**

The Wisconsin Corn Growers Association is asking that the Wisconsin corn check off be raised from 1/10<sup>th</sup> cent per bushel to 1/2 cent per bushel.

Our organization instigated the check off 24 years ago and has seen the benefits that have come from the money spent on promotion, education and research. The nine farmer elected board members of the Wisconsin Corn Promotion Board would administer the funds, just as they have in the past.

Wisconsin was the third state to have a corn check off and the rate has never been raised. There are now 21 states with a corn check off, and ours is the lowest rate. Compared to our surrounding states, Iowa and Minnesota have 1/2 cent rate, Illinois has just raised from 1/4 to 3/8ths cent and Michigan is one of several states that collect 1 cent per bushel.

Our members have seen the benefits that the ethanol business has brought to Wisconsin. The Corn Promotion Board did feasibility studies for the original plants, promoted ethanol and has done some research on feeding distillers grain to dairy cattle with their very limited funds.

The Promotion Board needs to be able to promote other new products coming from corn. There are new forms of distillers grain, for example, which will be a better fit in dairy rations, other new products coming from the ethanol plants, and, most exciting, whole new industries and processes and with entirely new products made from corn.

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WASHINGTON, D. C. 20540

1984-1985 ANNUAL REPORT



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